

AMENDED IN SENATE JUNE 24, 2008

AMENDED IN ASSEMBLY JANUARY 17, 2008

AMENDED IN ASSEMBLY APRIL 23, 2007

AMENDED IN ASSEMBLY MARCH 29, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 842

Introduced by Assembly Member Jones
(Principal coauthors: Assembly Members DeSaulnier, Hancock,
and Lieu)

February 22, 2007

An act to add Section 14522.5 to the Government Code and, to amend Sections ~~53545, 53545.13, and 53563~~ *An act to amend Sections 53545.13 and 53563* of the Health and Safety Code, relating to local planning.

LEGISLATIVE COUNSEL'S DIGEST

AB 842, as amended, Jones. Regional plans: traffic reduction.

~~(1) Existing law authorizes the California Transportation Commission to establish guidelines for the preparation of regional transportation plans.~~

~~This bill would require the commission to update its guidelines for the preparation of regional transportation plans, including a requirement that each regional transportation plan provide for a 10% reduction in the growth increment of vehicle miles traveled.~~

~~(2) Existing~~

~~Existing law, the Housing and Emergency Shelter Trust Fund Act of 2006, authorizes the Department of Housing and Community~~

Development to administer the Infill Incentive Grant Program of 2007, to fund selected capital improvement projects that are an integral part of, or necessary to facilitate the development of, a qualifying infill project or a qualifying infill area, and specifies the conditions that a qualifying infill project or qualifying infill area must meet to receive a capital improvement project grant award. The department is also required to review and rank applicants for the award of capital improvement project grants based upon various priorities, including, among others, project readiness, the depth and duration of the affordability of the housing proposed for a qualifying infill project or qualifying infill area, and the proximity of housing to parks, employment or retail centers, schools, or social services.

This bill would additionally require the department to rank applicants for the award of capital improvement project grants based upon a reduction of vehicle miles traveled as a result of the project, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 14522.5 is added to the Government~~
- 2 ~~Code, to read:~~
- 3 ~~14522.5. The commission shall update its guidelines for the~~
- 4 ~~preparation of regional transportation plans, including, but not~~
- 5 ~~limited to, a requirement that each regional transportation plan~~
- 6 ~~provide for a 10 percent reduction in the growth increment of~~
- 7 ~~vehicle miles traveled.~~
- 8 ~~SEC. 2. Section 53545 of the Health and Safety Code is~~
- 9 ~~amended to read:~~
- 10 ~~53545. The Housing and Emergency Shelter Trust Fund of~~
- 11 ~~2006 is hereby created in the State Treasury. The Legislature~~
- 12 ~~intends that the proceeds of bonds deposited in the fund shall be~~
- 13 ~~used to fund the housing-related programs described in this chapter~~
- 14 ~~over the course of the next decade. The proceeds of bonds issued~~
- 15 ~~and sold pursuant to this part for the purposes specified in this~~
- 16 ~~chapter shall be allocated in the following manner:~~
- 17 ~~(a) (1) One billion five hundred million dollars (\$1,500,000,000)~~
- 18 ~~to be deposited in the Affordable Housing Account, which is~~
- 19 ~~hereby created in the fund. Notwithstanding Section 13340 of the~~

1 Government Code, the money in the account shall be continuously
2 appropriated in accordance with the following schedule:

3 (A) (i) Three hundred forty-five million dollars (\$345,000,000)
4 shall be transferred to the Housing Rehabilitation Loan Fund to
5 be expended for the Multifamily Housing Program authorized by
6 Chapter 6.7 (commencing with Section 50675) of Part 2. The
7 priorities specified in Section 50675.13 shall apply to the
8 expenditure of funds pursuant to this clause.

9 (ii) Fifty million dollars (\$50,000,000) shall be transferred to
10 the Housing Rehabilitation Loan Fund to be expended under the
11 Multifamily Housing Program authorized by Chapter 6.7
12 (commencing with Section 50675) of Part 2 for housing meeting
13 the definitions in paragraphs (2) and (3) of subdivision (e) of
14 Section 11139.3 of the Government Code. The department may
15 provide higher per-unit loan limits as necessary to achieve
16 affordable housing costs to the target population. Any funds not
17 encumbered for the purposes of this clause within 30 months of
18 availability shall revert for general use in the Multifamily Housing
19 Program.

20 (B) One hundred ninety-five million dollars (\$195,000,000)
21 shall be transferred to the Housing Rehabilitation Loan Fund to
22 be expended under the Multifamily Housing Program authorized
23 by Chapter 6.7 (commencing with Section 50675) of Part 2, to be
24 used for supportive housing for individuals and households moving
25 from emergency shelters or transitional housing or those at risk of
26 homelessness. The Department of Housing and Community
27 Development shall provide for higher per-unit loan limits as
28 reasonably necessary to achieve housing costs affordable to those
29 individuals and households. For purposes of this subparagraph,
30 “supportive housing” means housing with no limit on length of
31 stay, that is occupied by the target population, as defined in
32 subdivision (d) of Section 53260, and that is linked to onsite or
33 offsite services that assist the tenant to retain the housing, improve
34 his or her health status, maximize his or her ability to live, and,
35 when possible, work in the community. The criteria for selecting
36 projects shall give priority to the following:

37 (i) Supportive housing for people with disabilities who would
38 otherwise be at high risk of homelessness where the applications
39 represent collaboration with programs that meet the needs of the
40 person’s disabilities.

1 (ii) ~~Projects that demonstrate funding commitments from local~~
2 ~~governments for operating subsidies or services funding, or both,~~
3 ~~for five years or longer.~~

4 (C) ~~One hundred thirty-five million dollars (\$135,000,000) shall~~
5 ~~be transferred to the fund created by subdivision (b) of Section~~
6 ~~50517.5 to be expended for the programs authorized by Chapter~~
7 ~~3.2 (commencing with Section 50517.5) of Part 2.~~

8 (D) ~~Three hundred million dollars (\$300,000,000) shall be~~
9 ~~transferred to the Self-Help Housing Fund created by Section~~
10 ~~50697.1. These funds shall be available to the Department of~~
11 ~~Housing and Community Development, to be expended for the~~
12 ~~purposes of enabling households to become or remain homeowners~~
13 ~~pursuant to the CalHome Program authorized by Chapter 6~~
14 ~~(commencing with Section 50650) of Part 2, except ten million~~
15 ~~dollars (\$10,000,000) shall be expended for construction~~
16 ~~management under the California Self-Help Housing Program~~
17 ~~pursuant to subdivision (b) of Section 50696.~~

18 (E) ~~Two hundred million dollars (\$200,000,000) shall be~~
19 ~~transferred to the Self-Help Housing Fund created by Section~~
20 ~~50697.1. These funds shall be available to the California Housing~~
21 ~~Finance Agency, to be expended for the purposes of the California~~
22 ~~Homebuyer's Downpayment Assistance Program authorized by~~
23 ~~Chapter 11 (commencing with Section 51500) of Part 3. Up to one~~
24 ~~hundred million dollars (\$100,000,000) of these funds may be~~
25 ~~expended pursuant to subdivision (b) of Section 51504.~~

26 (F) ~~One hundred million dollars (\$100,000,000) shall be~~
27 ~~transferred to the Affordable Housing Innovation Fund, which is~~
28 ~~hereby created in the State Treasury, to be administered by the~~
29 ~~Department of Housing and Community Development. Funds shall~~
30 ~~be expended for competitive grants or loans to sponsoring entities~~
31 ~~that develop, own, lend, or invest in affordable housing and used~~
32 ~~to create pilot programs to demonstrate innovative, cost-saving~~
33 ~~approaches to creating or preserving affordable housing. Specific~~
34 ~~criteria establishing eligibility for and use of the funds shall be~~
35 ~~established in statute as approved by a two-thirds vote of each~~
36 ~~house of the Legislature. Any funds not encumbered for the~~
37 ~~purposes set forth in this subparagraph within 30 months of~~
38 ~~availability shall revert to the Self-Help Housing Fund created by~~
39 ~~Section 50697.1 and shall be available for the purposes described~~
40 ~~in subparagraph (D).~~

1 ~~(G) One hundred twenty-five million dollars (\$125,000,000)~~
2 ~~shall be transferred to the Building Equity and Growth in~~
3 ~~Neighborhoods Fund to be used for the Building Equity and~~
4 ~~Growth in Neighborhoods (BEGIN) Program pursuant to Chapter~~
5 ~~14.5 (commencing with Section 50860) of Part 1. Any funds not~~
6 ~~encumbered for the purposes set forth in this subparagraph within~~
7 ~~30 months of availability shall revert for general use in the~~
8 ~~CalHome Program.~~

9 ~~(H) Fifty million dollars (\$50,000,000) shall be transferred to~~
10 ~~the Emergency Housing and Assistance Fund to be distributed in~~
11 ~~the form of capital development grants under the Emergency~~
12 ~~Housing and Assistance Program authorized by Chapter 11.5~~
13 ~~(commencing with Section 50800) of Part 2 of Division 31. The~~
14 ~~funds shall be administered by the Department of Housing and~~
15 ~~Community Development in a manner consistent with the~~
16 ~~restrictions and authorizations contained in Provision 3 of Item~~
17 ~~2240-105-0001 of the Budget Act of 2000, except that any~~
18 ~~appropriations in that item shall not apply. The competitive system~~
19 ~~used by the department shall incorporate priorities set by the~~
20 ~~designated local boards and their input as to the relative merits of~~
21 ~~submitted applications from within the designated local board's~~
22 ~~county in relation to those priorities. In addition, the funding~~
23 ~~limitations contained in this section shall not apply to the~~
24 ~~appropriation in that budget item.~~

25 ~~(2) The Legislature may, from time to time, amend the~~
26 ~~provisions of law related to programs to which funds are, or have~~
27 ~~been, allocated pursuant to this subdivision for the purpose of~~
28 ~~improving the efficiency and effectiveness of the program, or for~~
29 ~~the purpose of furthering the goals of the program.~~

30 ~~(3) The Bureau of State Audits shall conduct periodic audits to~~
31 ~~ensure that bond proceeds are awarded in a timely fashion and in~~
32 ~~a manner consistent with the requirements of this subdivision, and~~
33 ~~that awardees of bond proceeds are using funds in compliance with~~
34 ~~applicable provisions of this subdivision. The first audit shall be~~
35 ~~conducted no later than one year from voter approval of this part.~~

36 ~~(4) In its annual report to the Legislature, the Department of~~
37 ~~Housing and Community Development shall report how funds that~~
38 ~~were made available pursuant to this subdivision and allocated in~~
39 ~~the prior year were expended. The department shall make the report~~
40 ~~available to the public on its Internet Web site.~~

~~(b) Eight hundred fifty million dollars (\$850,000,000) shall be deposited in the Regional Planning, Housing, and Infill Incentive Account, which is hereby created in the fund. Funds in the account shall be available, upon appropriation by the Legislature, and subject to such other conditions and criteria as the Legislature may provide in statute, for the following purposes:~~

~~(1) For infill incentive grants for capital outlay related to infill housing development and other related infill development, including, but not limited to, all of the following:~~

~~(A) No more than two hundred million dollars (\$200,000,000) for park creation, development, or rehabilitation to encourage infill development.~~

~~(B) Water, sewer, or other public infrastructure costs associated with infill development.~~

~~(C) Transportation improvements related to infill development projects.~~

~~(D) Traffic mitigation.~~

~~(2) For brownfield cleanup that promotes infill housing development and other related infill development consistent with regional and local plans.~~

~~(c) Three hundred million dollars (\$300,000,000) to be deposited in the Transit-Oriented Development Account, which is hereby created in the fund, for transfer to the Transit-Oriented Development Implementation Fund, for expenditure, upon appropriation by the Legislature, pursuant to the Transit-Oriented Development Implementation Program authorized by Part 13 (commencing with Section 53560).~~

~~(d) Two hundred million dollars (\$200,000,000) shall be deposited in the Housing Urban-Suburban-and-Rural Parks Account, which is hereby created in the fund. Funds in the account shall be available upon appropriation by the Legislature for housing-related parks grants in urban, suburban, and rural areas, subject to the conditions and criteria that the Legislature may provide in statute.~~

~~SEC. 3.~~

~~SECTION 1.~~ Section 53545.13 of the Health and Safety Code is amended to read:

53545.13. (a) The Infill Incentive Grant Program of 2007 is hereby established to be administered by the department.

1 (b) Upon appropriation of funds by the Legislature for the
2 purpose of implementing paragraph (1) of subdivision (b) of
3 Section 53545, the department shall establish and administer a
4 competitive grant program to allocate those funds to selected
5 capital improvement projects that are an integral part of, or
6 necessary to facilitate the development of, a qualifying infill project
7 or a qualifying infill area.

8 (c) A qualifying infill project or qualifying infill area for which
9 a capital improvement project grant may be awarded shall meet
10 all of the following conditions:

11 (1) Be located in a city, county, or city and county, in which
12 the general plan of the city, county, or city and county, has an
13 adopted housing element that has been found by the department,
14 pursuant to Section 65585 of the Government Code, to be in
15 compliance with the requirements of Article 10.6 (commencing
16 with Section 65580) of Chapter 3 of Division 1 of Title 7 of the
17 Government Code.

18 (2) Include not less than 15 percent of affordable units, as
19 follows:

20 (A) For projects that contain both rental and ownership units,
21 units of either or both product types may be included in the
22 calculation of the affordability criteria.

23 (B) (i) To the extent included in a project grant application, for
24 the purpose of calculating the percentage of affordable units, the
25 department may consider the entire master development in which
26 the development seeking grant funding is included.

27 (ii) Where applicable, an applicant may include a replacement
28 housing plan to ensure that dwelling units housing persons and
29 families of low or moderate income are not removed from the low-
30 and moderate-income housing market. Residential units to be
31 replaced may not be counted toward meeting the affordability
32 threshold required for eligibility for funding under this section.

33 (C) For the purposes of this subdivision, "affordable unit" means
34 a unit that is made available at an affordable rent, as defined in
35 Section 50053, to a household earning no more than 60 percent of
36 the area median income or at an affordable housing cost, as defined
37 in Section 50052.5, to a household earning no more than 120
38 percent of the area median income. Rental units shall be subject
39 to a recorded covenant that ensures affordability for at least 55
40 years. Ownership units shall initially be sold to and occupied by

1 a qualified household, and subject to a recorded covenant that
2 includes either a resale restriction for at least 30 years or equity
3 sharing upon resale.

4 (D) A qualifying infill project or qualifying infill area for which
5 a disposition and development agreement or other project- or
6 area-specific agreement between the developer and the local agency
7 having jurisdiction over the project has been executed on or before
8 the effective date of the act adding this section, shall be deemed
9 to meet the affordability requirement of this paragraph (2) if the
10 agreement includes affordability covenants that subject the project
11 or area to the production of affordable units for very low, low-, or
12 moderate-income households.

13 (3) Include average residential densities on the parcels to be
14 developed that are equal to or greater than the densities described
15 in subparagraph (B) of paragraph (3) of subdivision (c) of Section
16 65583.2 of the Government Code, except that a project located in
17 a rural area as defined in Section 50199.21 shall include average
18 residential densities on the parcels to be developed of at least 10
19 units per acre.

20 (4) Be located in an area designated for mixed-use or residential
21 development pursuant to one of the following adopted plans:

22 (A) A general plan adopted pursuant to Section 65300 of the
23 Government Code.

24 (B) A project area redevelopment plan approved pursuant to
25 Section 33330.

26 (C) A regional blueprint plan as defined in the California
27 Regional Blueprint Planning Program administered by the
28 Business, Transportation and Housing Agency, or a regional plan
29 as defined in Section 65060.7 of the Government Code.

30 (5) For qualifying infill projects or qualifying infill areas located
31 in a redevelopment project area, meet the requirements contained
32 in subdivision (a) of Section 33413.

33 (d) In its review and ranking of applications for the award of
34 capital improvement project grants, the department shall rank the
35 affected qualifying infill projects and qualifying infill areas based
36 on the following priorities:

37 (1) Project readiness, which shall include all of the following:

38 (A) A demonstration that the project or area development can
39 complete environmental review and secure necessary entitlements

1 from the local jurisdiction within a reasonable period of time
2 following the submittal of a grant application.

3 (B) A demonstration that the eligible applicant can secure
4 sufficient funding commitments derived from sources other than
5 this part for the timely development of a qualifying infill project
6 or development of a qualifying infill area.

7 (C) A demonstration that the project or area development has
8 sufficient local support to achieve the proposed improvement.

9 (2) The depth and duration of the affordability of the housing
10 proposed for a qualifying infill project or qualifying infill area.

11 (3) The extent to which the average residential densities on the
12 parcels to be developed exceed the density standards contained in
13 paragraph (3) of subdivision (c).

14 (4) The qualifying infill project's or qualifying infill area's
15 inclusion of, or proximity or accessibility to, a transit station or
16 major transit stop.

17 (5) The proximity of housing to parks, employment or retail
18 centers, schools, or social services.

19 (6) The qualifying infill project or qualifying infill area
20 location's consistency with an adopted regional blueprint plan or
21 other adopted regional growth plan intended to foster efficient land
22 use.

23 (7) Applications for projects that are located in a city, county,
24 or city and county that has adopted a general plan that will reduce
25 the ~~amount of~~ *growth increment in* vehicle miles traveled by at
26 least 10 percent, and the project is consistent with the plan.

27 (8) Applications for projects that are located in a region covered
28 by a council of governments that has adopted a transportation plan,
29 a regional transportation plan, a regional blueprint, or similar
30 document that will reduce the ~~amount of~~ *growth increment in*
31 vehicle miles traveled by at least 10 percent, and the project is
32 consistent with the plan, blueprint, or similar document.

33 (e) In allocating funds pursuant to this section, the department,
34 to the maximum extent feasible, shall ensure a reasonable
35 geographic distribution of funds.

36 (f) Funds awarded pursuant to this section shall supplement,
37 not supplant, other available funding.

38 (g) (1) The department shall adopt guidelines for the operation
39 of the grant program, including guidelines to ensure the tax-exempt

1 status of the bonds issued pursuant to this part, and may administer
2 the program under those guidelines.

3 (2) The guidelines shall include provisions for the reversion of
4 grant awards that are not encumbered within four years of the fiscal
5 year in which an award was made, and for the recapture of grants
6 awarded, but for which development of the related housing units
7 has not progressed in a reasonable period of time from the date of
8 the grant award, as determined by the department.

9 (3) The guidelines shall not be subject to the requirements of
10 Chapter 3.5 (commencing with Section 11340) of Division 3 of
11 Title 2 of the Government Code.

12 (h) For each fiscal year within the duration of the grant program,
13 the department shall include within the report to the Legislature,
14 required by Section 50408, information on its activities relating
15 to the grant program. The report shall include, but is not limited
16 to, the following information:

17 (1) A summary of the projects that received grants under the
18 program for each fiscal year that grants were awarded.

19 (2) The description, location, and estimated date of completion
20 for each project that received a grant award under the program.

21 (3) An update on the status of each project that received a grant
22 award under the program, and the number of housing units created
23 or facilitated by the program.

24 ~~SEC. 4.~~

25 *SEC. 2.* Section 53563 of the Health and Safety Code is
26 amended to read:

27 53563. (a) In ranking applications pursuant to this part, the
28 department shall, among other criteria, consider the extent to which
29 the project or development will increase public transit ridership
30 and minimize automobile trips.

31 (b) The department shall also grant bonus points to projects or
32 developments that are in an area designated by the appropriate
33 council of governments for infill development as part of a regional
34 plan.

35 (c) In ranking applications received pursuant to this section, the
36 department shall award a substantial preference to both of the
37 following:

38 (1) Applications for projects that are located in a city, county,
39 or city and county that has adopted a general plan that will reduce

1 ~~the amount of~~ *growth increment in* vehicle miles traveled by at
2 least 10 percent and the project is consistent with the plan.
3 (2) Applications for projects that are located in a region covered
4 by a council of governments that has adopted a transportation plan,
5 a regional transportation plan, a regional blueprint, or similar
6 document that will reduce ~~the amount of~~ *growth increment in*
7 vehicle miles traveled by at least 10 percent and the project is
8 consistent with the plan, blueprint, or similar document.

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